

## SUBCHAPTER NN—DEEPWATER PORTS

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#### APPENDIX A TO PART 148—ENVIRONMENTAL REVIEW CRITERIA FOR DEEPWATER PORTS

AUTHORITY: Secs. 5(a), 5(b), Pub. L. 93-627, 88 Stat. 2131 (33 U.S.C. 1504(a), (b)); 49 CFR 1.46(s).

SOURCE: CGD 75-002, 40 FR 52553, Nov. 10, 1975, unless otherwise noted.

#### Subpart A—General

##### § 148.1 Purpose.

This subchapter prescribes regulations for the licensing, construction, design and equipment, and operation of deep-water ports.

**§ 148.3 Definitions.**

The terms listed in sections 3 and 18 of the Act, whenever used in Parts 148, 149 and 150, have the same meaning they have in the Act, except as provided in this section for "Affiliate."

*Act* means the Deepwater Port Act of 1974.

*Affiliate* means each person:

(1) Having any direct or indirect ownership interest in the applicant of greater than three percent;

(2) With whom the applicant has made, or proposes to make, a significant contract for financing, managing or otherwise participating in the construction or operation of the deepwater port proposed to be licensed;

(3) Who owns or controls any person who is an affiliate by operation of paragraphs (a) or (b) of this definition, or who owns or controls the applicant;

(4) Owned or controlled by or under common ownership or control with an applicant or any person who is an affiliate by operation of paragraphs (a), (b) or (c) of this definition; or

(5) Who is determined by the Secretary to have information required to review or process the application.

*Barrel* means 42 U.S. gallons at atmospheric pressure and 60 °Fahrenheit.

*Captain of the Port* means a Coast Guard Officer commanding a Captain of the Port Area described in Part 3 of this chapter.

*Crude oil* means a mixture of hydrocarbons that exist in the liquid phase in natural underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities and includes:

(1) Liquids technically defined as crude oil;

(2) Small amounts of hydrocarbons that exist in the gaseous phase in natural underground reservoirs but are liquid at atmospheric pressure after being recovered from oil well (casing head) gas in lease separators; and

(3) Small amounts of non-hydrocarbons produced with the oil.

*Deepwater port* means any fixed or floating manmade structures other than a vessel, or any group of such structures, located beyond the territorial sea and off the coast of the United States and which are used or intended for use as a port or terminal for

the loading or unloading and further handling of oil for transportation to any State, except as otherwise provided in section 23 of the Act. The term includes all associated components and equipment, including pipelines, pumping stations, service platforms, mooring buoys, and similar appurtenances to the extent they are located seaward of the high water mark.

*Gross under keel clearance* means the distance between the keel of a tanker and the ocean bottom when the tanker is moored or anchored in calm water free of wind, wave, current, or tide conditions that would induce ship motion.

*Marine site* means the area in which the deepwater is located, and includes the safety zone, attendant ships' routing measures, anchorages and all areas seaward of the high water mark in which associated components and equipment of the deepwater port are located.

*Miles* means nautical miles.

*Net under keel clearance* means that distance between the ocean bottom and the portion of a tanker's hull closest to the ocean bottom when the tanker is underway, moored or anchored, considering ship motion in responding to the combination of actual wind, wave, tide, and current conditions.

*PAD District* means one of the five Petroleum Administration for Defense Districts defined by the Bureau of Mines, Department of the Interior.

*Platform* means a fixed structure which rests on or is embedded in the sea-bed that has floors or decks in which an activity or specific function may be carried out.

*Production District* means a State and each district within the State of Louisiana, New Mexico or Texas for which production of crude petroleum is separately reported by the Bureau of Mines, Department of the Interior.

*Pumping platform complex (PPC)* means a single platform or a series of interconnected platforms that have one or more of the following capabilities:

(1) Pumping oil between a vessel and the shore.

(2) Berthing and messing facilities for assigned personnel.

(3) Landing area for helicopters.

(4) Mooring and loading for small vessels.

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*Refining District* means a refining district as defined by the Bureau of Mines, Department of the Interior, for reporting refining operations.

*SPM* means single point mooring buoy.

*Year-end proved reserves of crude oil* means the estimated quantities of all liquids statistically defined as crude oil, which geological and engineering data demonstrate with reasonable certainty as of December 31 of the year concerned to be recoverable in future years from known reservoirs under existing economic and operating conditions. Reservoirs are considered proved if economic producibility is supported by either actual production or conclusive formation tests. The area of an oil reservoir considered proved includes:

(1) That portion delineated by drilling and defined by gas-oil or oil-water contacts, if any; and

(2) The immediately adjoining portions not yet drilled, but which can be reasonably judged as economically productive on the basis of available geological and engineering data.

In the absence of information on fluid contacts, the lowest known structural occurrence of hydrocarbons controls the lower proved limit of reservoir. Reserves of crude oil which can be produced economically through application of improved recovery techniques (such as fluid injection) are included in the "proved" classification when successful testing by a pilot project, or the operation of an installed program in the reservoir, provides support for the engineering analysis on which the project or program was based.

[CGD 75-002, 40 FR 52553, Nov. 10, 1975, as amended by CGD 76-096, 45 FR 85647, Dec. 29, 1980]

## Subpart B—Applications

### GENERAL

#### § 148.101 Applicability.

This subpart prescribes rules that apply to each application, including competing applications described in section 5(d)(3) of the Act, for the issuance of a license for the ownership, construction, and operation of a deep-water port.

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#### § 148.103 Address of application staff.

The address of the application staff is: Commandant (G-M), U.S. Coast Guard, 2100 Second Street SW., Washington, DC 20593-0001.

[CGD 92-069, 58 FR 11193, Feb. 24, 1993]

#### § 148.105 Preparation.

(a) Any person may confer with the application staff concerning the preparation of an application.

(b) An applicant may incorporate by clear and specific reference in his application any:

(1) Standard reference material upon which he relies and which he knows to be readily available to Federal and State Agencies;

(2) Current information contained in previous applications or reports that he has submitted to the application staff; and

(3) Current information contained in a tariff, report or other document previously filed for public record with the Interstate Commerce Commission, the Securities and Exchange Commission, or the Federal Energy Administration, provided:

(i) A certified true and complete copy of the document is attached to each of 10 of the 60 copies of the application required by § 148.107(a);

(ii) Each copy filed with the application bears on its cover notation of the date of filing and the document number or other locator; and

(iii) Any verification or certification required for the original filing (other than from auditors or other independent persons) is brought current to a date not earlier than 30 days prior to the date of the application.

(c) If any required information is furnished pursuant to § 148.111(b), the application need only state with respect thereto, in the appropriate place or places: "Required information is being furnished by [named affiliate] [all affiliates] pursuant to § 148.111(b)."

#### § 148.107 Copies: fees.

(a) Sixty copies of each license application must be submitted to the application staff.

(b) One copy of each license application must be submitted to the U.S. Army Corps of Engineers District office

having jurisdiction over the proposed port.

(c) A nonrefundable application fee of \$100,000 must be submitted with each application for issuance of a license. If additional information is necessary to make an application complete, no additional application fee is required.

(d) The costs incurred by the United States in processing an application will be charged to the application fee until it is exhausted. Reimbursement for additional processing costs, above the application fee, must be submitted to the application staff when assessed.

(e) Fees and costs assessed under this section must be made payable to the United States Treasury.

**§ 148.109 Contents of application for issuance of license.**

Each application must include the following:

(a) *Identity of applicant and affiliates.*

(1) The name, address and principal business activity of the applicant and of each affiliate.

(2) A list of all domestic subsidiaries and a list of all foreign subsidiaries of each applicant and of each affiliate that elects under § 148.111(a) to furnish required information on a consolidated basis.

(3) The name, address and principal business activity of each subsidiary or division of an applicant or an affiliate which participated directly and substantially in the planning, evaluating or approving of participation in the construction, financing, or operation of a deepwater port.

(b) *Proof of citizenship and authority.*

(1) If the applicant is an individual, group of individuals, a partnership or an association, an affidavit from each individual stating that he is a citizen of the United States of America.

(2) If the applicant is a corporation, one copy of its charter or instrument by which the corporation is formed and organized under general corporation laws, certified by the Secretary of State or other appropriate authority of the State in which incorporated, and a copy of its by-laws certified by its Secretary or an Assistant Secretary.

(3) If the applicant is a State, or combination of States, or any political subdivision, agency, or instrumentality of

a State, including a wholly owned corporation, a copy of the laws authorizing the operations detailed in the application.

(c) *Address for service of documents.*

The name and address of a person upon whom service may be made if a formal hearing is held on the application and the name and address of a person to whom documents not required to be served under § 148.275 may be sent.

(d) *Verification.* A statement at the end of the application subscribed and sworn to before a notary public that the individual who signed the application has read it and that its contents are true to his best knowledge and belief.

(e) *Financial information.* (1) For each applicant and affiliate:

(i) Its most recent annual financial statement, including an income statement and a balance sheet, accompanied by an opinion of a certified public accountant; and

(ii) An interim income statement and balance sheet for each subsequent fiscal quarter-year ended prior to 30 days before submission of the application.

(2) The proposed location and capacity of the deepwater port, including all components thereof, together with a general description of the anticipated use of the deepwater port during the expected life of the project.

(3) An estimate of construction costs, by phases together with estimated dates or periods for completion of each phase, or annually, and a detailed estimate of the cost of removal of all marine components of the deepwater port, other than pipelines lying below the seabed.

(4) Annualized projections or estimates of each of the following, at reasonable intervals throughout the expected useful life of the deepwater port:

(i) Total oil throughput together with subtotals of throughput of oil owned by the applicant and affiliates and of throughput of oil owned by others.

(ii) Annual revenue.

(iii) Annual operating expenses, showing separately any anticipated management fee, payment, allowance,

or credit to any affiliate for management or operation of the port or any component.

(5) A copy of every agreement or proposal relating to the ownership or management of a deepwater port or any of its components or to the financing of the construction or operation of the deep-water port or component, including those relating to throughputs, capital contributions, loans, guarantees, and commitment therefor.

(6) To the extent known to the applicant or any affiliate, every existing or proposed:

(i) Tariff or portion thereof to be filed with the Interstate Commerce Commission;

(ii) Rate or joint rate; and

(iii) Agreement, arrangement or understanding with respect to terms or conditions on which other persons may become an affiliate or with respect to minimum or maximum tenders or other economic restrictions on shipments by nonaffiliated persons.

If any item required by this subparagraph has not been determined, an explanation of the basis on which it will be determined must be included.

(7) To the extent known to the applicant or any affiliate, the anticipated:

(i) Total annual demand for crude oil; and

(ii) Total year-end proved reserves of crude oil for each Production District within the PAD District in which oil from the proposed deepwater port is to be landed, at reasonable intervals throughout the expected useful life of the deepwater port.

(8) To the extent known to the applicant or any affiliate, the anticipated:

(i) Total refinery capacity;

(ii) Total runs to stills; and

(iii) Total demand for gasoline, for jet aviation fuels, for distillate fuel oils, and for other refinery products, for each Refining District within the PAD District in which oil from the deepwater port is to be landed, at reasonable intervals throughout the expected useful life of the deepwater port.

(9) If the PAD District in which oil from deepwater port is to be landed has a surplus:

(i) Of crude oil production and imports over refinery capacity, the infor-

mation required in paragraph (e)(7) of this section must also be set forth for each Production District within the PAD Districts to which surplus crude oil from the District in which oil from deepwater port is landed is expected to be transported; and

(ii) Of refinery capacity over demand for refinery products, the information required in paragraph (e)(8) of this section must also be set forth for each Refining District within the PAD Districts to which surplus refinery products from the PAD District in which oil from the deepwater port is landed is expected to be transported. If this includes the East Coast Refining District, the information for that district must be separately stated for the following three components:

(a) New England: The States of Massachusetts, Rhode Island, and Connecticut.

(b) South-Atlantic: The States of Virginia, North Carolina, South Carolina, Georgia, and Florida.

(c) Mid-Atlantic: The remaining area of the East Coast Refining District (Maine, Vermont, New Hampshire, New Jersey, Maryland, Delaware, District of Columbia, and the eastern parts of New York and Pennsylvania).

(10) From each applicant or affiliate which is engaged in producing, refining, or marketing oil, its estimate of its components of the totals required to be included under the provisions of paragraphs (e)(7), (8) and (9) of this section.

(11) From each applicant or affiliate engaged in producing, refining, or marketing oil, for each item it is required to supply under paragraph (e)(10) of this section, its actual data for each of the three calendar years immediately prior to the date of application.

(12) From each applicant or affiliate which has a significant interest in any refinery within any refinery district on which information is required to be disclosed under paragraphs (e)(8) or (9)(ii) of this section, for each refinery, its:

(i) Location;

(ii) Runs to still for each of the three calendar years prior to date of application; and

(iii) Production for each of the three calendar years prior to date of application of gasoline, jet aviation fuel, distillate fuel oils, and other products.

(13) From each applicant or affiliate engaged in producing, refining or marketing oil, for each of the three calendar years immediately prior to the date of application, its total domestic and total worldwide: yearend proved reserves; annual production imports into the United States; and annual refinery runs to still and production of gasoline, jet aviation fuel, distillate fuel oils and other refinery products.

(f) *General technical information.* (1) A description of the experience of the applicant, each affiliate of the applicant that the applicant may want to provide, and each consultant of the applicant in offshore operations, with particular emphasis on involvement in offshore transfer and storage of liquid cargo and vessel loading and unloading operations.

(2) A listing and abstract of each study relied upon by the applicant and a listing and abstract of each ongoing or completed study pertaining to deepwater ports conducted by or for the applicant, later supplemented by data of particular environmental or operational concern from specific studies identified by the Coast Guard.

(3) The name, address, citizenship and telephone number of each affiliate of the applicant together with a description of the manner in which the affiliate is associated with the applicant.

(4) The name, address, citizenship, telephone number and qualifications of each engineering firm, if known, that will design the deepwater port, or any portion of the port.

(5) The ownership interest in the applicant of each affiliate having any ownership interest in the applicant of greater than 3 percent.

(6) For each affiliate with whom the applicant has made, or proposes to make a significant contract for the construction of any part of the deepwater port, a description of that affiliate's experience in construction of marine terminal facilities, offshore structures, underwater pipelines, seabed foundations or any other experience that would bear on his qualification to

participate in the construction of a deepwater port.

(7) A copy of each contract made by the applicant for the construction of any component of the deepwater port or for the operation of the port.

(g) *Water.* Evidence that the requirements of section 401(a)(1) of the Federal Water Pollution Control Act Amendments of 1972, 33 U.S.C. 1341(a)(1), will be satisfied, except that, in those cases where certification under section 401(a)(1) must be obtained from the Administrator of the United States Environmental Protection Agency, the request for such certification must accompany each application for a license under the Act.

(g-1) *Coastal zone management.* The certification, or certifications, required by section 307 of the Coastal Zone Management Act of 1972, as amended.

(h) *Lease block identification.* (1) Identification of each lease block established either by the Secretary of the Interior under section 5 of the Outer Continental Shelf Lands Act (43 U.S.C. 1334), or by a State under the authority of section 3 of the Submerged Lands Act (43 U.S.C. 1311), within which any part of the proposed deepwater port or its approaches are located. This identification should be made using Official Outer Continental Shelf Leasing Maps or Protraction diagrams where they are available. For each identified lease block, the following must be provided:

(i) A description of each pipeline, or other right-of-way crossing, in enough detail to allow plotting of rights-of-way and facilities to the nearest one-tenth of a second in latitude and longitude.

(ii) The identity of the lessee of each pipeline or other right-of-way.

(2) Detailed information concerning any interest that the applicant and others have in each block and concerning the present and planned use of each block.

(i) *Overall site plan.* Single-line drawings showing the location and type of each component of the proposed deepwater port and its necessary facilities, including floating structures, fixed structures, aids to navigation, manifold systems and onshore storage areas, pipelines, and refineries.

(j) *Site plan for marine components.* A site plan consisting of:

- (1) The proposed size and location of:
  - (i) All fixed and floating structures;
  - (ii) SPM swing circles;
  - (iii) Maneuvering areas;
  - (iv) Recommended ships' routing measures and proposed vessel traffic patterns in the port area;
  - (v) Recommended anchorage areas;
  - (vi) Recommended mooring area for support vessels;
  - (vii) Required and recommended aids to navigation; and
  - (viii) Pipelines and cables within the marine site;

(2) The charted water depth throughout the proposed marine site as verified by the reconnaissance hydrographic survey required by this subpart:

(3) A reconnaissance hydrographic survey of the proposed marine site.

NOTE: A requirement to submit an engineering hydrographic survey of the final marine site will be imposed as a license condition.

(k) *Soil data.* An analysis of the general character and condition of the ocean bottom and sub-bottom throughout the marine site and along the path of the pipeline to the shore, including an opinion by a registered professional engineer specializing in soil mechanics concerning:

(1) The suitability of the soil to accommodate the anticipated design load of each marine component that will be fixed to or supported on the ocean floor; and

(2) The stability of the seabed when exposed to the environmental forces resulting from severe storms, or to lesser forces that continue for an extended period, including any history of accretion or erosion of the coast line in proximity to the marine site.

(l) *Operational information.* (1) The maximum lengths, maximum drafts, and maximum deadweight tonnages of the tankers to be accommodated at each SPM.

(2) Calculations with supporting data and other documentation to show that the charted water depth at each proposed SPM location is sufficient to provide at least a 5 foot net under keel clearance for each tanker that the applicant expects to be accommodated at the SPM.

(3) A detailed description of the manner of forecasting the wind, wave, and current conditions described in the draft Operations Manual during which the following would occur:

(i) Shutdown of oil transfer operations.

(ii) Departure of the tanker from the mooring.

(iii) Prohibition on mooring to an SPM.

(iv) Shutdown of all operations and evacuation of the port.

(4) The speed limits proposed for tankers in the safety zone.

(m) *Floating components data.* (1) A description and preliminary design drawing of each floating component, including the hoses and the anchoring or securing structure and navigation lights if the component is a mooring buoy.

(2) The design criteria, developed pursuant to Part 149 of this chapter, to which each floating component is to be designed and built.

(3) The design standards and codes to be used.

(4) The title of each recommended engineering practice to be followed.

(5) A description and the results of any design and evaluation studies performed by or for the applicant on a floating component.

(6) A description of safety, fire fighting, and pollution prevention equipment to be used on each floating component.

(7) A description of lighting to be used on floating hoses for night detection.

(n) *Fixed marine components data.* (1) A description and preliminary design drawing of each fixed marine component.

(2) The design criteria, developed pursuant to Part 149 of this chapter, to which each fixed marine component is to be designed and built.

(3) The design standards and codes to be used.

(4) The title of each recommended engineering practice to be followed.

(5) A description and the results of any design and evaluation studies performed by or for the applicant for any fixed marine component and utilized in the development of the application.

(6) A description of navigational lighting, safety, lifesaving, fire fighting, pollution prevention and removal, and waste treatment equipment to be installed.

(7) A description and preliminary design drawing of the oil pumping equipment, piping system, control and instrumentation system, and any associated equipment, including the oil throughput measuring equipment, leak detection equipment, alarm system, and emergency shutdown equipment.

(8) The personnel capacity of each PPC.

(o) *Offshore pipeline data.* (1) A description and preliminary design drawing of the marine pipeline, including size, throughput capacity, length, depth and protective devices.

(2) The design criteria to which the marine pipeline is to be designed and built.

(3) The design standards and codes to be used.

(4) The title of each recommended engineering practice to be followed.

(5) A description of the metering system to be used to measure flow rate.

(6) Information concerning all submerged or buried pipelines that will be crossed by the offshore pipeline and the manner in which the crossing will be made.

(p) *Onshore components data.* (1) A description of the location, capacity, and ownership of, and a preliminary design drawing for construction of new or expansion of existing onshore pipelines, storage facilities, refineries, petrochemical facilities, and transshipment facilities to be served by the deepwater port.

(2) Location, capacity, and ownership of existing onshore pipelines, storage facilities, refineries, petrochemical facilities, and transshipment facilities to be served by the deepwater port.

(3) A chart showing the location of all planned and existing onshore pipelines, storage facilities, refineries, and petrochemical facilities and transshipment facilities to be served by the deepwater port.

(4) From each applicant or affiliate which is engaged in producing, refining or marketing oil, throughput of crude oil, of gasoline, of jet aviation fuel, of distillate fuel oils and of other refinery

products, for the calendar year preceding the date of application, and a copy of each existing or proposed throughput agreement.

(5) A facility is served by the deepwater port if it is within a PAD District for which information is required under paragraph (e)(7), (8) or (9) of this section and is either served by connection with a common carrier pipeline or a component of or appurtenant to a common carrier pipeline.

(6) Crude oil gathering lines and lines wholly within a facility must be included only if specifically required under paragraph (z) of this section. Entry points and major connections between lines and with bulk purchasers must be included.

(q) *Miscellaneous components data.* (1) A description of the communications systems to be used in operation of the deepwater port.

(2) A description of the radar navigation system to be used in operation of the deepwater port to include the type and characteristics of the radar and the antenna location.

(3) A description of plans and method of bunkering vessels using the deepwater port.

(4) Type, size and number of vessels to be used in bunkering, mooring, and servicing the vessels using the deepwater port.

(5) A description and exact location of any shore based support facilities to be provided for vessels described in paragraph (q)(4) of this section.

(r) *Construction procedures.* A description of the method and procedures to be used in constructing each component of the deepwater port and a description of each phase, including anticipated dates of completion for each of the specific components.

(s) *Draft Operations Manual.* A draft Operations Manual for the proposed port prepared in accordance with the "Guidelines for Preparation of a Deepwater Port Operations Manual". If required information is not available, an applicant should so state, show why, and state when the information can be expected to be provided.



(t) *Environmental analysis.* An environmental analysis prepared in accordance with "Guide to Preparation of Environmental Analyses for Deepwater Ports."

(u) *Aids to Navigation.* (1) For each proposed aid to navigation, the proposed position of the aid described by latitude and longitude coordinates to the nearest second or tenth of a second as determined from the largest scale chart of the area in which the aid is to be located. (Latitude and longitude should be specified to a level obtained by visual interpolation between the finest graduation of the latitude and longitude scales on the chart.)

(2) For each proposed obstruction light and the proposed rotating lighted beacon, the color, characteristic, effective intensity, height above water, and general description of illumination apparatus.

(3) For each proposed fog signal on a structure, a general description of the apparatus.

(4) For each proposed buoy, the shape, color, number or letter, and depth of water in which located, and a general description of any light or fog signal apparatus installed.

(5) For the proposed radar beacon (RACON), height above water and a general description of the apparatus.

(v) *Telecommunications equipment.* A description of the radio stations or other communications facilities and the proposed concept of operation to serve the deepwater port during construction or operation.

NOTE: Federal Communications Commission application for these facilities may be submitted directly to the Federal Communications Commission when sufficient technical information is available to meet the rules of that agency. The holding of appropriate Federal Communications Commission licenses will be made a condition on a deepwater port license.

(w) *National Pollutant Discharge Elimination System Information.* To the extent available, the information prescribed by, and submitted on, the "National Pollutant Discharge Elimination System" (NPDES). Application for Permit to Discharge, Short Form "D" for applying for issuance of a discharge permit to the Administrator of the Environmental Protection Agency (EPA). If complete information is not avail-

able by the time the Secretary must either approve or deny the application for a designated application area, under section 5(i)(1) of the Act, the license is conditioned upon the applicant receiving the required discharge permit from the EPA prior to the commencement of any discharge requiring the same.

(x) *Discharge of dredged or fill material.* The information prescribed by, and submitted on, Form EP 1145-2-1 contained as Appendix B of "Application for Department of Army Permits for Activities in Waterways, EP 1145-2-1 of 1 October 1974" for each permit issued by the Secretary of the Army in compliance with:

(1) Section 10 of the Rivers and Harbors Act of 1899 (30 Stat. 1151; 33 U.S.C. 403);

(2) Section 404(b) of the Federal Water Pollution Control Act Amendments of 1972 (86 Stat. 816; 33 U.S.C. 1251); or

(3) Section 103 of the Marine Protection, Research, and Sanctuaries Act of 1972 (86 Stat. 1052; 33 U.S.C. 1401).

(y) *Additional Federal authorizations required.* All other applications for Federal authorizations required for ownership, construction, and operation of a deepwater port not listed elsewhere in this subpart.

(z) *Supplemental information.* (1) A designation of locations where the applicant and each affiliate has segregated and filed documents in its possession relating to deepwater ports which were prepared within four years of the date of application and which fall under one or more of the following categories:

(i) Prepared by or for, or submitted to, a Board of Directors or an executive, management or planning committee.

(ii) Concern the financing of construction or operation of a deepwater port, including throughput nominations and membership in and financing of any existing or proposed joint venture.

(iii) Concern existing or proposed or anticipated rates or joint rates.

(iv) Determined by the Secretary to be required to review and process the application.

(2) Documents referred to in paragraph (z)(1) of this section must be

available during normal business hours to the Secretary or the General Counsel of the Department of Transportation or the designate of either of them, for inspection and copying, at the locations designated in the application unless the General Counsel requires consolidation of documents from two or more locations. If any claim of privilege or immunity is asserted with respect to any document or record designated for inspection or copying, the person making the claim shall furnish to the Secretary or the General Counsel or his designate as the case may be, in accordance with § 148.219(c), an identification of the document and statement of the claim.

(3) The Secretary may require an applicant or affiliate to make available for examination under oath or for interview persons having, or believed to have, designated information. Interviews and examinations are conducted by or at the direction of the General Counsel.

(4) The Secretary may require an applicant or affiliate to file as a supplement to the application any analysis, explanation or detailing of information in the application or any other information determined by the Secretary to be required to review or process the application.

(5) Any Federal or State department or agency or other interested person may file with the clerk a request or recommendation for further information. Requests and recommendations received within 30 days after notice of the initial application has been published will be fully considered before any final determination is made under this paragraph (z). Requests and recommendations must include a brief statement of the purpose of any proposed requirement, including, if it relates to conduct, the nature of the conduct and the probable consequences, or if the proposed requirement relates to physical characteristics, the nature of any safety, health, environmental or economic concerns.

(6) In exercising the authority to require supplemental information under paragraph (z)(2), (3) or (4) of this section, the Secretary, the General Counsel, or the designate, as the case may be, may fix a time by which an appli-

cant or affiliate must meet the requirement. If an application states that required information is not yet available but will be furnished at a later date, the Commandant may specify a time by which the information must be provided. If any requirement is not met by a time fixed in accordance with this subparagraph, the Secretary shall determine whether compliance with the requirement is material to processing of the application within the time prescribed in the Act. If the Secretary determines that it is material, he may disapprove the application, or may suspend the application pending a determination that processing can be resumed. The period of any suspension shall not be counted in determining the date prescribed by the time limit set forth in sections 4(c)(6), 5(d)(3), 5(e)(2), 5(g), 7(b)(1) or 9(b)(1) of the Act.

[CGD 75-002, 40 FR 52553, Nov. 11, 1975; 40 FR 58144, Dec. 15, 1975, as amended by CGD 76-096, 45 FR 85647, Dec. 29, 1980]

#### § 148.111 Optional procedures.

(a) *Consolidated statements.* Applicants and affiliates may elect to supply required information consolidated in accordance with generally accepted accounting principles, if and to the extent that consolidated statements or reports are filed with the Interstate Commerce Commission, the Securities and Exchange Commission, or the Federal Energy Administration, but if those filings are also made or required to be made by line of business or other classifications, the application shall be prepared on the same basis. An election under this paragraph is subject to the authority of the Secretary to require supplemental information, pursuant to § 148.109(z).

(b) *Direct submissions by affiliates.* If any affiliate has reason to believe that it or its business or property would be prejudiced by furnishing information required from it to the applicant, the affiliate may file the required information directly with the clerk. The information must be enclosed in a sealed envelope bearing on the outside the names of the applicant and affiliate and the date or anticipated date of the application. If any claim of privilege or confidentiality is asserted with respect

to the contents, the procedure specified in § 148.219(c) or (d) must be followed.

### Subpart C—Application Proceeding

#### GENERAL

#### § 148.201 Purpose.

This subpart prescribes rules of procedure and practice for application proceedings.

#### § 148.203 Applicability.

(a) Except as provided in paragraph (b) of this section, the rules in this subpart apply to each application proceeding.

(b) The rules for formal hearings in §§ 148.251–148.291 apply only to application proceedings in which the Commandant issues a notice of formal hearing under § 148.251. The rules for informal hearings in §§ 148.231–148.235 apply only to proceedings to consider applications for issuance, transfer, and renewal of a license.

#### § 148.205 Clerk: docket; record.

(a) The mailing address for the clerk in each proceeding is: Commandant (G–M), U.S. Coast Guard, 2100 Second Street SW., Washington, DC 20593–0001.

(b) The clerk maintains a docket and the record for each proceeding. The docket lists each document in the record. The record contains all documents filed or issued in the proceeding that the clerk has received and any other documents in the proceeding that are docketed in accordance with this subpart.

[CGD 75–002, 40 FR 52553, Nov. 10, 1975; 40 FR 58143, Dec. 15, 1975, as amended by CGD 92–069, 58 FR 11193, Feb. 24, 1993]

#### § 148.207 Availability of documents in the record.

(a) The procedure for inspecting and copying documents in the record of a proceeding is contained in 49 CFR part 7 and section 14 of the Act. Copies of documents in the record of a proceeding are mailed to each adjacent coastal State unless their release is prohibited by 49 CFR part 7 and section 14 of the Act.

(b) Comments submitted by Federal agencies and departments for each pro-

ceeding in accordance with sections 5(e)(2) and 7(b) of the Act are docketed when they are received. Copies of the draft and final environmental impact statements prepared in accordance with section 5(f) of the Act are docketed when they are transmitted to the Council on Environmental Quality.

(c) The applicant must designate any portions of the material submitted in an application that contain either trade secrets or commercial or financial information that is claimed to be privileged or confidential. Section 148.219 prescribes procedures for objecting to claims and resolving of disputed issues.

(d) A copy of the application, except trade secrets and confidential information, is available for inspection and copying at: Commandant (G–M), U.S. Coast Guard, 2100 Second Street SW., Washington, DC 20593–0001.

(e) The application staff will designate a custodian of all documents filed in a proceeding for which protection is claimed under section 14(b) of the Act. The custodian shall not make public for inspection documents for which protection is claimed nor otherwise disclose such information, unless the General Counsel is of the opinion that the disclosure is not inconsistent with the requirements of section 14(b) of the Act. The custodian shall keep a record of all officers and employees of the Department having custody of any copy or copies of undisclosed documents.

[CGD 75–002, 40 FR 52553, Nov. 10, 1975, as amended by CGD 92–069, 58 FR 11193, Feb. 24, 1993]

#### § 148.211 Processing an application.

The Assistant Commandant for Marine Safety, Security and Environmental Protection takes the action described in section 5(c)(1) of the Act for processing each application received in a proceeding and for issuing in the FEDERAL REGISTER the notices described in section 5(c)(1). If he issues notice of application pursuant to section 5(c)(1) of the Act, the application staff thereafter delivers the application described in the notice to the clerk for docketing and mails a copy of the notice to each:

(a) Party;

- (b) Adjacent coastal State; and
- (c) Other coastal State bordering on the body of water in which the proposed port would be located.

[CGD 75-002, 40 FR 52553, Nov. 10, 1975 as amended, at CGD 88-052, 53 FR 25121, July 1, 1988; CGD 96-026, 61 FR 33665, June 28, 1996; CGD 97-023, 62 FR 33363, June 19, 1997; USCG-2002-12471, 67 FR 41332, June 18, 2002]

#### § 148.213 Changes to an application.

If information in an application becomes materially inaccurate or incomplete after it is docketed in a proceeding but before the proceeding is terminated, the applicant must promptly file an amendment furnishing the corrected or additional information. Sixty copies of the amendment must be submitted to the application staff when the revisions are filed.

#### § 148.215 Withdrawal of application.

An applicant may withdraw his application in a proceeding at any time before the proceeding is terminated by delivering or mailing notice of withdrawal to the clerk for docketing.

#### § 148.216 Request by port for determination.

A port which applies for a determination under section 4(d) of the Act must submit a request in writing to the application staff within 30 days of the date that notice of application is published in the FEDERAL REGISTER. The request must:

- (a) Be signed by the highest official of the port submitting the request;
- (b) Contain a copy of existing plans for the construction of a deep draft channel and harbor;
- (c) Certify that the port has an active study by the Secretary of the Army for the construction of a deep draft channel and harbor, or that the port has pending an application for a permit under section 10 of the Act of March 3, 1899 (30 Stat. 1121) for the construction;
- (d) Provide any available documentation on:
  - (1) Initial costs, by phases if staged development, for the proposed onshore project, including dredging, ship terminal and attendant facilities;
  - (2) Estimated annual operating expenses by phases, if staged develop-

ment, including labor, for thirty years for all elements of the project;

- (3) Estimated time of completion of all elements of the proposed project;

(4) An estimate of the volume of ship traffic, the volume and variety of the tonnage, an assessment of the potential traffic congestion conditions in the port and an assessment of the capability of the port for controlling vessel traffic as a result of the proposed dredging project;

(5) An assessment of the economic benefits estimated to be derived from the project, including:

- (i) Economic contribution to the local, and regional area;
- (ii) Induced industrial development;
- (iii) Increased employment;
- (iv) Increases in tax revenues; and
- (v) Any other factors; and

(6) An assessment of the environmental and social impact of the project on elements of the local and regional community; and

(e) Provide a statement of its views on whether it seeks a determination that the State port best serves the national interest or that both developments are warranted.

#### § 148.217 Designation of adjacent coastal States.

(a) The Assistant Commandant for Marine Safety, Security and Environmental Protection, in issuing a notice of application pursuant to section 5(c)(1) of the Act, designates as an adjacent coastal State each State which would be directly connected by pipeline to the deepwater port proposed in the application or which is within 15 miles of the proposed deepwater port. A State not designated as an adjacent coastal State in the notice of application may request to be so designated on the basis that the risk of damage to its coastal environment is equal to or greater than the risk posed to a State directly connected by pipeline to the proposed deepwater port.

(b) Each request submitted under paragraph (a) of this section must:

- (1) Be submitted in writing to the application staff within 14 days after the date of publication of the notice of application in the FEDERAL REGISTER;
- (2) Be signed by the Governor of the State;

(3) Set forth the facts and any available analyses in support of the request together with any available documentation concerning the risk of damage to the coastal environment of the requesting State that could occur as a result of the establishment of a deepwater port; and

(4) State why the requesting State believes the risk of damage to its coastal environment is equal to or greater than the risk posed to a State connected by a pipeline to the proposed deepwater port.

(c) The application staff transmits a copy of each request submitted in accordance with paragraph (b) of this section to the Administrator of the National Oceanic and Atmospheric Administration and requests his recommendations within a period of time that will allow the Secretary to determine the matter within 45 days after the date the request was received.

(d) If, after having received the recommendation of the Administrator of the National Oceanic and Atmospheric Administration, the Secretary determines that there is a risk of damage to the coastal environment of the requesting State equal to or greater than the risk posed to a State directly connected to the proposed deepwater port, he grants the request and designates the requesting State as an adjacent coastal State. If he determines that there is not such a risk, he denies the request and so notifies the Governor of the requesting State.

[CGD 75–002, 40 FR 52553, Nov. 10, 1975, as amended by CGD 88–052, 53 FR 25121, July 1, 1988; CGD 96–026, 61 FR 33665, June 28, 1996; CGD 97–023, 62 FR 33363, June 19, 1997; USCG–2002–12471, 67 FR 41332, June 18, 2002]

**§ 148.219 Claims and objections.**

(a) Any person required to furnish information may assert, as ground for relief from the requirement, any failure to comply with this part or any other constitutional or legal right or privilege.

(b) In general, claims relating to documents must be made on filing an application or on receiving a determination by the Secretary pursuant to § 148.109(z).

(c) If a person claims attorney-client privilege, he must identify the commu-

nication by date, type of communication, persons making and receiving the communication, and general subject matter. If the required information is in a separable part of a communication, such as an attachment to a letter, the separate part must be similarly identified. The identification must be filed with the clerk or as a document pursuant to § 148.269.

(d) Any document claimed to be protected by section 14(b) of the Act must be placed in a sealed envelope, containing the name of the person claiming the protection and of the applicant, and the date or anticipated date of the application. A brief statement of the basis of the claim must be included, either on the envelope or separately. If a number of documents are involved, they must be grouped according to nature of claim, and a self-explanatory numbering system used for envelopes and documents.

(e) Written objection to any claim may be made by any Federal or State department or agency, or any applicant, affiliate, party or other interested person. The objection shall include a brief statement of its basis and identify the documents to which it applies.

(f) Except as provided in paragraph (g) of this section, the General Counsel shall determine, or designate a person to determine, issues raised by any claim filed under this section. A designation by the General Counsel may specify procedures to be used in resolving the issue or may leave some or all of the procedural matters to the discretion of the designated person. The proceedings pursuant to a designation shall be reported to the General Counsel, who shall approve, modify or disapprove the reported findings and conclusions.

(g) Any person making or objecting to a claim, or other interested person, may at any time file with the General Counsel a request or recommendation as to procedures. The General Counsel may act upon it or refer it to a person designated to resolve the issue.

(h) At any formal or informal hearing the presiding officer may permit any person to assert any claim that could be filed under this section and may determine any issue raised by the claim

or, in his discretion, refer it to the General Counsel for resolution pursuant to paragraph (f) of this section.

(i) The filing of any claim under this section, other than a claim of document protection under paragraph (d) of this section, shall stay the time for meeting any information required to which the claim relates, but shall not stay the periods for processing and review of an application unless the Secretary determines that compliance with the requirement is material to processing of the application within the time prescribed in the Act. If the Secretary determines that it is material, he may suspend the application pending a determination that processing can be resumed. The period of any suspension shall not be counted in determining the date prescribed by the time limit set forth in section 4(c)(6), 5(d)(3), 5(e)(2), 5(g), 7(b)(11) or 9(b)(1) of the Act.

(j) Any determination by the General Counsel under paragraph (f) of this section may be appealed to the Secretary for good cause shown.

#### INFORMAL PUBLIC HEARING

##### § 148.231 Notice of public hearing.

After all applications in a proceeding are docketed, the Commandant issues a notice of public hearing and mails or delivers it to any person who requests it and to each applicant and adjacent coastal state. The clerk docketed the notice when it is published. Each notice shows the time and place for the hearings, formulates the factual issues in the proceeding, procedural matters to govern the hearings, and designates the presiding officer assigned by the Commandant for the hearing.

##### § 148.233 Testimony and argument.

Interested persons may attend any public hearing, present relevant material at the hearing, and submit briefs and oral argument at a time determined by the presiding officer during the hearing.

##### § 148.235 Report of public hearing.

As soon as practicable after a public hearing is completed, the presiding officer forwards a report of the hearing to the clerk for docketing. The report

at a minimum contains a summary of the materials presented and factual issues raised at the hearing and has attached to it a transcript of the hearing and all relevant materials and briefs submitted to the presiding officer. The presiding officer determines and announces to the participants during the course of the hearing what material will be attached to the report.

#### FORMAL HEARING

##### § 148.251 Determination to hold formal hearing: notice of formal hearing.

(a) After the reports of public hearings are docketed in a proceeding, the Commandant determines whether there are specific and material factual issues concerning the applications that may be resolved by a formal hearing. If he determines that a formal hearing is necessary, he issues notice of formal hearing to the applicants, the application staff, and the administrative law judge.

(b) A notice of formal hearing lists the factual issues for resolution at the hearing, the applicants, and the administrative law judge assigned to conduct the hearing.

(c) The clerk mails or delivers a copy of the notice of formal hearing in a proceeding to each adjacent coastal state and to each person who requests notice of formal hearing.

##### § 148.253 Assignment of administrative law judge: disqualification.

(a) The Commandant assigns the administrative law judge for a formal hearing.

(b) The administrative law judge may disqualify himself at any time after assignment by filing notice of withdrawal from the proceeding. If on motion of a party the administrative law judge does not disqualify himself, the party may appeal the ruling to the Commandant by filing notice of appeal within seven days after the ruling on the motion. A brief may be filed with the notice of appeal.

(c) If the assigned administrative law judge becomes unavailable during the proceeding, another administrative law judge is assigned.

## **§ 148.255**

### **§ 148.255 Jurisdiction of the administrative law judge.**

(a) The jurisdiction of the administrative law judge over a proceeding begins when he is assigned. His jurisdiction ends 20 days after the transcript of the formal hearing is docketed or when he issues notice of withdrawal from the proceeding.

(b) The Commandant exercises the authority of an administrative law judge in a proceeding when no administrative law judge has jurisdiction.

### **§ 148.257 Authority of the administrative law judge.**

The administrative law judge assigned to a formal hearing may:

- (a) Administer oaths and affirmations;
- (b) Issue subpoenas;
- (c) Adopt procedures for the submission of evidence in written form;
- (d) Rule on offers of proof and receive relevant evidence;
- (e) Examine witnesses at the formal hearing;
- (f) Dispose of procedural requests or similar matters;
- (g) Convene, recess, reconvene, adjourn, and otherwise regulate the course of the formal hearing;
- (h) Certify questions to the Commandant;
- (i) If a party to a formal hearing fails to appear at a session of the hearing, proceed with the session without further notice to the party;
- (j) Extend or shorten a time prescribed by this subpart to the extent consistent with the 240 days time limit prescribed in section 5(g) of the Act for completing public hearings in a proceeding;
- (k) Prescribe a time for doing an act if the time is not prescribed in this subpart; and
- (l) Take any other action authorized by or consistent with this subpart, the Act, or 5 U.S.C. 551-559.

### **§ 148.259 Ex parte communications.**

If two or more applications have been filed in a proceeding, or if a person opposing an application has intervened in the proceeding, the administrative law judge may not consult any party on a fact in issue except on notice and opportunity for all parties to participate.

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The administrative law judge must prepare a summary of and have docketed each ex parte communication in the proceeding.

### **§ 148.261 Parties.**

The parties to a formal hearing are the application staff, the applicants, and intervenors in the proceeding.

### **§ 148.263 Intervention.**

(a) Any person may file a petition to intervene in a formal hearing, and any adjacent coastal state may intervene by filing a notice of intervention. The petition must be addressed to the administrative law judge, must identify the specific matters in the hearing on which he seeks to intervene and his interest in those matters, and must designate the name and address of a person upon whom service may be made if the petition is granted. A party to the formal hearing may file an answer to a petition within five days after the petition is filed.

(b) A petition to intervene must be filed within ten days after notice of formal hearing is issued.

(c) Intervention may be limited to particular matters or to particular times in the hearing if necessary to prevent repetitious evidence and argument or to control the course of the formal hearing.

(d) If the administrative law judge denies a petition in whole or part, the petitioner may appeal to the Commandant by filing notice of appeal within seven days after the denial is issued. A brief may be filed with the notice of appeal. A party may file a brief in support of or in opposition to the appeal within seven days after the notice of appeal is filed.

### **§ 148.265 A person not a party.**

(a) At any time before a formal hearing, any person who is not a party may submit to the administrative law judge a petition to present evidence at the formal hearing. The petition must be sent to the administrative law judge or to the clerk who will forward it to the administrative law judge. The petition must contain a statement describing in detail the evidence to be presented and must show its relevancy to factual

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issues listed in the notice of formal hearing.

(b) If a petition is granted, the ruling delineates the evidence that may be presented at the formal hearing.

### § 148.267 Appearance and practice.

(a) Each party to a formal hearing, except an individual, must appear by his attorney. Each attorney must file a notice of appearance that states his name, address, telephone number, and the name of the person he represents. With his notice of appearance, each attorney must file a written authorization from his client.

(b) Each attorney representing a person in a proceeding must be admitted, and be in good standing, to practice before a court of the United States or the highest court of any State, territory or possession of the United States.

(c) The administrative law judge assigned to the formal hearing may suspend or bar an attorney from representing a person in the proceeding if he finds that the attorney has failed to conform to the standards of conduct required for attorneys in the Courts of the United States.

(d) The administrative law judge may exclude any person from a formal hearing or a conference if the person is contumacious at the hearing or conference.

### § 148.269 Requirements for documents.

(a) Each document, except an application, filed in a proceeding or submitted to the administrative law judge must:

(1) List the docket number of the proceeding; and

(2) Be signed in ink by the person filing or submitting the document and show the capacity of the person signing, his address, and the date of signing.

(b) Each document filed in a proceeding, except an application, must:

(1) Be accompanied by ten copies of the document;

(2) Show the name and address of each person upon whom a copy of the document has been served;

(3) Be accompanied by an affidavit showing proof of service if the person serving the process is not an attorney; and

(4) Contain the following certificate of service if the person serving the process is an attorney:

I hereby certify that I have this day served the foregoing document upon \_\_\_\_\_ in accordance with 33 CFR 148.275.  
Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

Signature

For \_\_\_\_\_

Name of Party or Petitioner

### § 148.271 Subscription.

The signature on a document filed, served, or submitted to the administrative law judge in a proceeding is certification by the person signing that he has full authority to sign the document, that he has read it and knows its contents, that to the best of his knowledge, information, and belief the statements made in it are true, and that it is not interposed for delay.

### § 148.273 Filing.

(a) A document is filed in a proceeding when it meets the requirements in § 148.269 and is deposited in the mail or, if not mailed, is received by the clerk.

(b) If the clerk receives a document that does not comply with § 148.269 he returns it to the person who submitted it with a statement of reasons for the return.

(c) Filing by mail must be by certified mail.

### § 148.275 Service of document: other transmittal.

(a) The clerk serves each order, ruling, decision, and notice upon all parties to a formal hearing when issued, except a document issued at the formal hearing or a prehearing conference.

(b) Each document before it is filed in a proceeding must be served upon:

(1) All parties, except the person filing the document; and

(2) The administrative law judge or if no administrative law judge has jurisdiction, the Commandant.

(c) Service of a document upon a party must be made upon the attorney representing the party or, for a party not represented by an attorney, upon the party.



## § 148.277

(d) Service must be made by handing a copy of the document to the person to be served or depositing a copy of the document in the mail.

(e) This section does not apply to service of subpoenas. Rules for serving subpoenas are in § 148.281.

(f) The clerk mails to a person who is not a party, and who has submitted a petition or motion in the proceeding, a copy of the ruling on the petition or motion when issued and a copy of the action taken on any appeal of the petition. He mails a copy of the notice of the formal hearing, when the notice is issued, to each person whose petition to present evidence has been granted under § 148.265.

(g) The clerk provides the applicants and the administrative law judge with a copy of each application and report of public hearing docketed in the proceeding.

### § 148.277 Conferences.

(a) The administrative law judge may hold one or more prehearing conferences to give the parties an opportunity to present and consider facts and arguments, to exchange exhibits proposed to be offered in evidence, and to obtain stipulations, admissions, and agreements to produce documents and other tangible things. The administrative law judge may consider at a conference the procedure to be followed at the formal hearing, limitations on the number of witnesses at the hearing, and any other matters that may expedite the disposition of the proceeding.

(b) The administrative law judge may hold conferences during a formal hearing to expedite the disposition of the proceeding.

(c) If a prehearing conference is held, the administrative law judge issues a notice reciting the action taken at the conference and any agreements made between the parties.

### § 148.279 Motions.

(a) Any request for a ruling or relief in a proceeding, except a request for a subpoena or a petition to intervene or present evidence at a formal hearing, must be submitted by motion. Each motion must be addressed to the administrative law judge, state the ruling or relief sought and the grounds there-

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for, and be accompanied, if appropriate, by a proposed order. Each written motion must be filed. An oral motion may be made only at the formal hearing or a conference.

(b) Within seven days after service of a written motion, a party may file an answer supporting or opposing the motion.

(c) Unless otherwise authorized by the administrative law judge, no oral argument is heard on a written motion. A brief may be filed with a written motion or an answer to a written motion.

(d) The administrative law judge issues a ruling and any appropriate order for each motion made.

(e) Except as otherwise provided in §§ 148.253 and 148.263, a ruling of the administrative law judge on a motion may not be appealed to the Commandant. The administrative law judge may refer any ruling to the Commandant for review if he determines that the ruling involves an important question of law or policy.

### § 148.281 Subpoenas.

(a) At any time before a formal hearing is completed, a party may submit a request to the administrative law judge for issuance of a subpoena. A request for issuance of a subpoena must show the general relevance and scope of the evidence sought.

(b) A proposed subpoena and fifteen copies, and witness fees for one day and mileage, must be submitted with each request. A proposed subpoena must contain:

(1) The docket number of the proceeding;

(2) The captions "Department of Transportation," "Coast Guard," and "Licensing of Deepwater Port for coastal waters off (*insert name of the coastal state closest to the proposed deepwater port and the docket number of the proceeding*)";

(3) The name and office of the administrative law judge;

(4) A statement commanding the person to whom the subpoena is directed to attend the formal hearing and give testimony or, for a subpoena to produce documentary evidence, a statement commanding the person to produce designated documents, books,

papers, or other tangible things at a designated time or place; and

(5) Explanation of the procedure in § 148.279 and paragraph (e) of this section for quashing a subpoena.

(c) Unless otherwise authorized by the administrative law judge, a subpoena must be served in accordance with Rule 45 of the Federal Rules of Civil Procedure.

(d) A subpoenaed witness is paid the same fees and mileage paid to witnesses subpoenaed in District Courts of the United States. The person requesting a subpoena must pay the fees and mileage.

(e) Any motion to quash a subpoena must be submitted within seven days after service of the subpoena.

(f) If a person does not comply with a subpoena and the administrative law judge on motion rules that good cause has been shown for seeking judicial enforcement of a subpoena, he refers his ruling to the Commandant.

#### **§ 148.283 Hearing date.**

(a) The administrative law judge schedules the formal hearing by issuing a notice to the parties.

(b) The clerk mails or delivers a copy of the notice to any person who requests it.

#### **§ 148.285 Reporter: transcript; corrections.**

(a) The reporter for a formal hearing is arranged for by the clerk. The reporter prepares a verbatim transcript of the hearing under the supervision of the administrative law judge. Nothing may be deleted from the transcript unless ordered by the administrative law judge and noted in the transcript.

(b) After a formal hearing is completed, the administrative law judge certifies and forwards the transcript to the clerk for docketing.

(c) At any time within 20 days after the transcript is docketed, the administrative law judge may make corrections to the certified transcript. Corrections when filed are attached to the transcript as appendices. Any motion to correct the transcript must be submitted within ten days after the transcript is docketed.

#### **§ 148.287 Order of procedure.**

The administrative law judge determines the order of procedure for each formal hearing.

#### **§ 148.289 Evidence.**

A party may present evidence and conduct cross-examination of witnesses at a formal hearing. Other persons may present evidence that they have been authorized to present under § 148.265.

#### **§ 148.291 Rulings referred or appealed to the Commandant.**

(a) The Commandant reviews each ruling referred or appealed to him under this subpart and issues a ruling and any appropriate order. Unless otherwise ordered by the Commandant or the administrative law judge, review of a ruling does not stay a formal hearing or extend a time period prescribed by this subpart.

(b) If the administrative law judge refers a ruling to the Commandant, he gives notice to the parties of the referral.

#### **APPLICATION APPROVAL OR DENIAL**

#### **§ 148.321 Decision process generally.**

(a) During the 45-day period immediately following the completion of the final public hearing on a proposed deepwater port license for a designated application area, opportunity is provided for the various Federal departments and agencies having expertise concerning, or jurisdiction over, any aspect of ownership, construction, or operation of deepwater ports or having a duty under the Act with respect thereto and the Governor of each adjacent coastal State to formulate and transmit to the Secretary their determinations, recommendations, opinions and approvals or disapprovals, as the case may be.

(b) Within 45 days after the expiration of the 45-day period described in paragraph (a) of this section, the Secretary approves or denies each application for a deepwater port license in the designated application area.

#### **§ 148.323 Criteria and considerations.**

(a) The Secretary approves an application only after he determines that:

(1) The applicant is financially responsible and will carry insurance or give evidence of other financial responsibility in the amount of \$50,000,000 to cover the clean-up costs and damages that could result from a discharge of oil from the deepwater port concerned or from a vessel moored at the deepwater port;

(2) The applicant can and will comply with applicable laws, regulations, and license conditions;

(3) The construction and operation of the deepwater port will be in the national interest and consistent with national security and other national policy goals and objectives, including energy sufficiency and environmental quality;

(4) The deepwater port will not unreasonably interfere with international navigation or other reasonable uses of the high seas, as defined by treaty, convention, or customary international law;

(5) In accordance with the environmental review criteria set forth in Appendix A to this part, that the applicant has demonstrated that the deepwater port will be constructed and operated using the best available technology, so as to prevent or minimize adverse impact on the marine environment; and

(6) The adjacent coastal State to which the deepwater port concerned is to be connected by pipeline, has developed, or is making, at the time the application was submitted, reasonable progress toward developing an approved coastal zone management program pursuant to the Coastal Zone Management Act of 1972 in the area to be directly and primarily impacted by land and water development in the coastal zone resulting from the deepwater port or is receiving a planning grant under section 305 of the Coastal Zone Management Act.

(b) In deciding whether to approve or deny an application and in making the related preliminary determinations specified in paragraph (a) of this section, the Secretary considers:

(1) The information set forth in the application concerned and any other applications for licenses for the same application area submitted in accordance with section 5(d)(3) of the Act;

(2) The information developed during hearings held pursuant to §§148.231 through 148.291;

(3) The final environmental impact statement for the application area concerned;

(4) The views of the Secretary of the Army, the Secretary of State, and the Secretary of Defense on the adequacy of the application and its effects on programs within their respective jurisdictions;

(5) The views and recommendations of the heads of any other Federal departments or agencies having expertise concerning, or jurisdiction over, any aspect of the ownership, construction or operation of deepwater ports; and

(6) The opinions of the Federal Trade Commission and the Attorney General as to whether issuance of the license would adversely affect competition, restrain trade, promote monopolization or otherwise create a situation in contravention of the antitrust laws.

(c) The Secretary does not approve an application if, within the 45-day period immediately following the completion of the final public hearing:

(1) The Administrator of the Environmental Protection Agency determines that the proposed deepwater port will not conform with all applicable provisions of the Clean Air Act, as amended, the Federal Water Pollution Control Act, as amended, or the Marine Protection, Research and Sanctuaries Act, as amended; or

(2) The Governor of an adjacent coastal State disapproves the issuance of the license.

**§ 148.325 Multiple applications.**

(a) Except as provided in paragraph (b) of this section, in the case of more than one application for a deepwater port license in a designated application area, only one application may be approved according to the following order of priorities:

(1) An applicant that is an adjacent coastal State (or combination of States), any political subdivision thereof or agency or instrumentality, including a wholly owned corporation thereof.

(2) An applicant who is not:

(i) Engaged in producing, refining, or marketing oil;

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(ii) An affiliate of any person who is engaged in producing, refining or marketing oil; or

(iii) An affiliate of such an affiliate.

(3) Any other applicant.

(b) Notwithstanding the order of priorities listed in paragraph (a) of this section, if the Secretary determines that one of the proposed deepwater ports will clearly best serve the national interest, he may approve the application for that port. In making this determination, the Secretary considers:

(1) The degree to which the proposed deepwater ports affect the environment as determined under the review criteria set forth in Appendix A to this part;

(2) Any significant differences between anticipated completion dates for the proposed deepwater ports; and

(3) Any differences in costs of construction and operation of the proposed deepwater ports to the extent that such differential may significantly affect the ultimate cost of oil to the consumer.

### § 148.327 Termination of proceeding before approval or denial of an application.

The Commandant terminates a proceeding if:

(a) All applications are withdrawn before the decision approving or denying them is issued; or

(b) In a proceeding with one application that does not have all of the information required by Subpart B of this part, the applicant after inquiry by the application staff does not provide adequate assurance that further information to make the application is forthcoming.

## Subpart D—Issuance of a License

### § 148.400 Applicability.

This subpart prescribes rules that apply to the issuance of a license under the Act.

### § 148.403 Issuance of a license.

If an application under the Act is approved, a license is issued containing the following:

(a) The name and number or identification of the port.

(b) The name of the owner and operator of the port.

(c) Conditions to the ownership, construction, and operation of the deepwater port issued under section 4(e) of the Act.

### § 148.405 Term of license.

Each license is issued for a term of 20 years, unless a shorter period is requested in the application.

### § 148.407 Consultation with adjacent coastal States.

(a) The Governor of an adjacent coastal State may consult with the application staff concerning license conditions that the application staff may have under consideration.

(b) If the Governor of an adjacent coastal State notifies the Secretary that an application, which would otherwise be approved in a proceeding, is inconsistent with State programs relating to environmental protection, land and water use, or coastal zone management, the notification should include a description of:

(1) The State's environmental protection, land or water use, or coastal zone management program with which the application is inconsistent and how the application is inconsistent; and

(2) Conditions that if imposed on the license would make it consistent with the State program.

## Subpart E—Site Evaluation

SOURCE: CGD 75-194, 41 FR 16800, Apr. 22, 1976, unless otherwise noted.

### § 148.501 Purpose.

(a) This subpart prescribes requirements for site evaluation and preconstruction testing at potential deepwater port locations.

(b) For the purpose of this subpart, "site evaluation and preconstruction testing" means all field studies performed at potential deepwater port locations, including:

(1) Preliminary studies to determine site feasibility;

(2) Detailed studies of the topographic and geologic structure of the ocean bottom to determine its ability to support offshore structures and appurtenances; and

## § 148.503

(3) Studies involved with the preparation of the environmental analysis required under § 148.109(t).

### § 148.503 Notice of proposed site evaluation activities.

(a) Any person desiring to conduct site evaluation and preconstruction testing at potential deepwater port sites must submit a written notice to the Commandant (G-M), U.S. Coast Guard, Washington, DC 20593, at least 10 days before the commencement of any activities.

(b) The written notice of proposed site evaluations and preconstruction testing at potential deepwater port locations must include the following:

(1) The identification of persons or agencies participating in the proposed activities.

(2) The type of activities and the manner in which they will be conducted.

(3) Chartlets showing the location where the proposed activities are to be conducted and locations of all offshore structures, including pipelines and cables, in or near the area of proposed activity.

(4) The specific purpose of the activities.

(5) The dates on which the activities will be commenced and completed.

(6) Available environmental data on the environmental consequences of the activities.

(7) A preliminary report, based on existing data, of the historic and archeological significance of the area where the proposed activities are to take place, including a report of each contact made with any appropriate State liaison officer for historic preservation.

(c) For the activities listed below, because they are not usually harmful to the environment, the notice need contain only the information required in paragraphs (b)(1), (2), and (5) of this section, as well as a general indication of the proposed location and purpose of the activities:

(1) Gravity and magnetometric measurements.

(2) Bottom and sub-bottom acoustic profiling without the use of explosives.

(3) Sediment sampling of a limited nature using either core or grab samplers if geological profiles indicate no

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discontinuities that may have archeological significance.

(4) Water and biotic sampling, if the sampling does not adversely affect shellfish beds, marine mammals, or an endangered species, or if permitted by another Federal agency.

(5) Meteorological measurements, including the setting of instruments.

(6) Hydrographic and oceanographic measurements, including the setting of instruments.

(7) Small diameter core sampling to determine foundation conditions.

(d) The Coast Guard advises and coordinates with appropriate Federal agencies and States concerning activities under this subpart.

(e) If necessary, the Coast Guard requires additional information in individual cases.

[CGD 75-194, 41 FR 16800, Apr. 22, 1976, as amended by CGD 88-052, 53 FR 25121, July 1, 1988]

### § 148.505 General conditions of performance.

(a) No person may conduct activities to which this subpart applies except in compliance with the regulations in this subpart and all other applicable laws and regulations.

(b) A separate written notice is required for each site.

(c) Measures must be taken to prevent or minimize the effect of those activities that may:

(1) Adversely affect the environment;

(2) Interfere with authorized uses of the Outer Continental Shelf or navigable waters; or

(3) Pose a threat to human health and welfare.

### § 148.507 Reports.

Each person conducting site evaluation and preconstruction testing at potential deepwater port locations shall:

(a) Notify the Coast Guard of any evidence of objects of cultural, historical, or archeological significance immediately upon their discovery;

(b) Notify the Coast Guard immediately of any:

(1) Adverse effects on the environment;

(2) Interference with Authorized uses of the Outer Continental Shelf;

(3) Threat to human health and welfare; and

(4) Adverse effects on any site, structure, or object of potential historical or archeological significance; and

(c) Submit a preliminary written report to the Coast Guard within 30 days after the completion of activity that contains, as reasonably available at that time:

(1) A narrative description of the activities performed;

(2) Charts, maps, or plats for the area where the activities were conducted and referencing the narrative description required in paragraph (c)(1) of this section;

(3) The dates on which the activities were performed;

(4) Information on any adverse effects on the environment, other uses of the area where the activities were conducted, human health or welfare, or any site, structure, or object of potential historical or archeological significance;

(5) Data on the historical or archeological significance of the area where the activities were conducted, including the report of an underwater archaeologist, if physical data indicate the need for such expertise as related to the activities undertaken; and

(6) Any additional information that may be required by the Coast Guard; and

(d) Submit to the Coast Guard within 120 days after the completion of activity a final detailed report that contains all the data required in paragraph (c) of this section that was not included in the preliminary report.

#### **§ 148.509 Suspension and prohibition of activities.**

(a) The Commandant may order, either in writing or orally with written confirmation, the immediate suspension, for a period not to exceed 30 days, of any site evaluation activity when, in his judgment, such activity threatens immediate, serious, and irreparable harm to human life, biota, property, cultural resources, any valuable mineral deposits, or the environment. During any suspension the Coast Guard will consult with the sponsor of the activity suspended concerning appropriate measures to remove the cause

for suspension. A suspension may be rescinded at any time upon presentation of satisfactory assurance by the sponsor that the activity no longer adversely threatens the quality of the human environment.

(b) The Commandant may prohibit those activities that:

(1) Are suspended under paragraph (a) of this section, if the cause for suspension is not or cannot be removed;

(2) Threaten immediate, serious, and irreparable harm to life, including biota, property, cultural resources, any valuable mineral deposits, or the environment;

(3) Violate the requirements of this subpart; or

(4) Are otherwise inconsistent with the purposes of the Act.

### **Subpart F—Procedure for Exemption From Any Requirement in Deepwater Port Regulations**

#### **§ 148.601 Applicability.**

This subpart sets forth the procedures governing exemptions from any requirement in this part 148, parts 149 and 150.

#### **§ 148.603 Petition for exemption.**

(a) Any person required to comply with any specific requirements in Part 148, Parts 149 and 150 may submit a petition to the Commandant for an exemption.

(b) A petition for exemption must be submitted in writing. It may be in any form, but it must be specific and it must contain all data necessary to evaluate its merits.

#### **§ 148.605 Coordination with states.**

A petition for exemption under this subchapter that appears to involve the interests of an adjacent coastal State will be referred to the Governor of that State for consideration and recommendation.

#### **§ 148.607 Exemption criteria.**

The Commandant grants an exemption if he determines that:

(a) Compliance with the regulations would be contrary to the public interest;

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(b) Compliance would not enhance safety or the environment;

(c) Compliance is not practical because of local conditions or because the materials or personnel needed for compliance are unavailable;

(d) National defense or national economy justify a departure from the rules; or

(e) The alternative proposed in the petition would:

(1) Ensure comparable or greater safety; environmental protection; and quality of construction, maintenance and operation of a deepwater port; and

(2) Would be consistent with recognized principles of international law.

### Subpart G—Limits of Liability

SOURCE: CGD 97-023, 62 FR 33363, June 19, 1997, unless otherwise noted.

#### § 148.701 Purpose.

This subpart sets forth the limits of liability for U.S. deepwater ports in accordance with section 1004 of the Oil Pollution Act of 1990 (33 U.S.C. 2704).

#### § 148.703 Limits of liability.

(a) The limits of liability for U.S. deepwater ports will be established by the Secretary of Transportation on a port-by-port basis, after review of the maximum credible spill and associated costs for which the port would be liable. The limit for a deepwater port will not be less than \$50 million or more than \$350 million.

(1) The limit of liability for the LOOP deepwater port licensed and operated by Louisiana Offshore Oil Port, Inc., is \$62,000,000.

(2) [Reserved]

(b) [Reserved]

#### APPENDIX A TO PART 148—ENVIRONMENTAL REVIEW CRITERIA FOR DEEPWATER PORTS

I. *Authority.* The Deepwater Port Act of 1974, Pub. L. 93-627 (33 USC 1501 et seq.), authorizes the Secretary of Transportation to issue, transfer, amend, or renew a license for the ownership, construction, and operation of a deepwater port. Section 6 of the Act requires the Secretary to establish environmental review criteria which shall be used to evaluate a deepwater port as proposed in an application for a license. By amendment of Part 1 of Title 49, Code of Federal Regula-

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tions (49 CFR 1.46(t)), dated April 25, 1975, the Secretary delegated to the Commandant of the Coast Guard the responsibility to establish such criteria (40 FR 20088-20089). (49 CFR 1.46(t) is presently redesignated as 49 CFR 1.46(s) (40 FR 43901-43906)).

Section 6 of the Act reads as follows:

Sec. 6. (a) The Secretary, in accordance with the recommendations of the Administrator of the Environmental Protection Agency and the Administrator of the National Oceanic and Atmospheric Administration and after consultation with any other Federal departments and agencies having jurisdiction over any aspect of the construction or operation of a deepwater port, shall establish, as soon as practicable after the date of enactment of this Act, environmental review criteria consistent with the National Environmental Policy Act. Such criteria shall be used to evaluate a deepwater port as proposed in an application, including:

(1) the effect on the marine environment;

(2) the effect on oceanographic currents and wave patterns;

(3) the effect on alternate uses of the oceans and navigable waters, such as scientific study, fishing, and exploitation of other living and nonliving resources;

(4) the potential dangers to a deepwater port from waves, winds, weather, and geological conditions, and the steps which can be taken to protect against or minimize such dangers;

(5) effects of land-based developments related to deepwater port development;

(6) the effect on human health and welfare; and

(7) such other considerations as the Secretary deems necessary or appropriate.

(b) The Secretary shall periodically review and, whenever necessary, revise in the same manner as originally developed, criteria established pursuant to subsection (a) of this section.

(c) Criteria established pursuant to this section shall be developed concurrently with the regulations in section 5(a) of this Act and in accordance with the provisions of that subsection.

II. *Purpose.* A. Environmental review criteria shall be used to evaluate a deepwater port as proposed in an application for a license to own, construct and operate a deepwater port. The criteria shall be consistent with the National Environmental Policy Act, Pub. L. 91-190 (42 USC 4321 et seq.), which declares a national environmental policy. The Secretary of Transportation may issue a license in accordance with the provisions of the Act if, among other things, he determines:

—that the construction and operation of the deepwater port will be in the national interest and consistent with national security

and other national policy goals and objectives, including energy sufficiency and environmental quality; and

—in accordance with the environmental review criteria established pursuant to section 6 of the Act, that the applicant has demonstrated that the deepwater port will be constructed and operated using the best available technology to prevent or minimize adverse impact on the environment. (Sections 4(c)(3) & (5) of the Act.)

These criteria are therefore intended to be used to evaluate the environmental soundness of a proposed deepwater port and to serve as basic guidelines for determining what environmental impacts could result from deepwater port development and the procedures and technology which can be used to prevent or minimize adverse impacts.

B. In accordance with section 5(f) of the Act, these criteria shall also be considered in the preparation of a single, detailed environmental impact statement for all timely applications covering a single application area. Additionally, section 5(i)(3) of the Act specifies that, in the event more than one application is submitted for an application area, the criteria shall be used, among other factors, in determining whether any one proposed deepwater port clearly best serves the national interest.

III. *Environmental review criteria.* The environmental review of a proposed deepwater port consists of two parts. The *first* part involves assessment of the probable negative and positive environmental impacts which will result from construction and operation of the port. The *second* part appraises the effort made by the applicant to prevent or minimize adverse environmental effects. Guidelines for such an effort are set forth and will be closely considered in the review.

The overall intent of this review is to arrive at a comprehensive evaluation of the significance of the discrete and cumulative environmental impacts, adverse and beneficial, of the project as proposed and to determine whether or not the applicant has demonstrated that the deepwater port will be constructed and operated using the best available technology, so as to prevent or minimize adverse impact on the marine environment.

A. The proposed deepwater port will be evaluated to assess the magnitude and importance of its probable negative and positive environmental impacts. This review will include comparison with reasonable alternative actions, such as: the no-action case (alternative transportation schemes for imported oil); alternative sites, designs, and systems; and other deepwater ports. The information necessary for such an evaluation will be provided by the Federal Environmental Impact Statement and other sources as necessary. A picture of the relative net environmental impact of the proposed

project should be obtained. Also, identification of actions which might be taken with respect to procedures and technology to prevent or minimize probable adverse effects will be made. The following are the primary areas of concern:

1. *The Effect on the Marine Environment:*

(NOTE: The term "marine environment" includes the navigable waters (including the lands therein and thereunder) and the adjacent shorelines (including the waters therein and thereunder); transitional and intertidal areas, bays, lagoons, salt marshes, estuaries, beaches, waters of the contiguous zone, waters of the high seas; the fish, wildlife and other living resources thereof; and the recreational and scenic values of such lands, waters and resources.)

a. The potential effects of surface and bottom disturbances and increased turbidity both directly on ecological habitats and on the life stages of biological populations and indirectly on such habitats and populations through modifications of the physical, geological, and/or chemical environment.

b. The potential effects of pollutants, especially oil, on ecological habitats and the life stages of biota.

c. The potential effects on threatened or endangered species and on ecosystems.

2. *The Effect on Oceanographic Currents and Wave Patterns:*

a. The potential primary effects of construction and operation on,

i. surface, midwater and bottom currents,

ii. waves,

iii. tides and tidal currents, especially in constricted coastal areas and estuaries,

iv. ice;

b. The potential secondary impacts of changes to current and wave patterns on sand and sediment transport, turbidity, beach processes, salinity and sedimentation rates resulting from changes to current, wave and tide patterns; and, the resulting impacts on biological systems, on shorelines and beaches, and on their alternate uses.

3. *The Effects on Alternate Uses of the Oceans and Navigable Waters:*

a. Scientific study;

b. Fishing (commercial and recreational);

c. Exploitation of other living and non-living resources;

d. Sanctuary maintenance;

e. Recreation;

f. Approved costal zone management plans;

g. Power generation;

h. Transportation;

i. Other commercial, industrial or public uses and the national defense.

4. *The Potential Environmental Dangers to a Deepwater Port:*

a. From waves, winds, weather, and geological conditions;

b. The steps which can be taken to minimize such dangers with respect to,

i. siting,



- ii. design,
- iii. construction,
- iv. operations and procedures.

5. *The Effects of Land-Based Developments Related to Deepwater Port Development on:*

- a. Stream and river flow, ground and surface water quality and supplies;
- b. Marine water quality;
- c. Air quality;
- d. Alternate land and water uses,
  - i. wetlands,
  - ii. habitats,
  - iii. nurseries,
  - iv. recreation,
  - v. wilderness, preserves, and wild and scenic rivers,
  - vi. existing and proposed sanctuaries,
  - vii. historical and cultural areas,
  - viii. open and green space,
  - ix. agricultural and grazing,
  - x. residential and commercial,
  - xi. industrial,
  - xii. transportation,
  - xiii. power generation and transmission,
  - xiv. others.

6. *The Effect on Human Health and Welfare:*

- a. Health:
  - i. the physiological effects of reduced or altered air and water quality or supply, of altered or increased noise levels or quality, of altered community density, etc., and the psychological effects of the above;
  - ii. the risk of human safety and life posed by a proposed project.
- b. Welfare—the ultimate effects of dynamic economic and social change inflicted directly or induced upon the relevant communities, including but not limited to the projected changes in employment, population density, housing and public services, and tax base.

B. In this second part, the proposed project will be appraised for the effort made to prevent or minimize the probable adverse impacts on the environment. This appraisal is primarily concerned with the project as proposed and alternatives are relevant only insofar as they may represent a spectrum of possible actions against which the proposal will be judged. Areas of concern are: siting, design, construction, and operation; and, land use and coastal zone management. Specifically, the review will consider the degree of adherence to the following guidelines.

1. *Siting*— A proposed deepwater port should be sited in an optimum location in order to prevent or minimize possibly detrimental environmental effects. For example:

- a. The deepwater port and all its components, including receiving terminals, inline transportation facilities and stations, ancillary and service facilities, and pipeline, should occupy the minimum space necessary for safe and efficient operation and should be located, as much as possible, in areas in which permanent alteration of wetlands is not necessary. Buffer zones should be pro-

vided to separate onshore facilities from incompatible adjacent land uses.

- b. The deepwater port facility and its offshore components should be located in areas which have stable sea-bottom characteristics and, its onshore components should be located in areas in which a stable foundation can be developed and flood protection levees, if appropriate, can be constructed.

c. The deepwater port facility should be located in an area where existing offshore structures and activities will not interfere with its safe operation, and where the facility or navigation to and from that facility, will not interfere with the safe operation of existing offshore structures. Water depths and currents in and around the deepwater port and its approaches should pose no undue hazard to safe navigation. Extensive dredging or removal of natural obstacles such as reefs, should be avoided. The siting procedure should select an area where projected weather, wave conditions, and seismic activity minimize the probability that damage will occur to the deepwater port, tankers, pipeline, and component shoreside facilities from storms, earthquakes, or other natural hazards.

d. Selection of sites should maximize the permitted use of existing work areas, facilities and access routes for construction and operations activities. Where temporary work areas, facilities, or access routes must be used, they should be to the fullest extent possible, designed and constructed in such a manner to permit restoration to the preconstruction environmental conditions or better.

e. The deepwater port facility, navigational fairway(s) and pipelines should be sited where the interactions of facilities' requirements and natural environment are optimized to prevent adverse impacts or to produce minimal, acceptably low adverse effects. Key factors in assessments should include (but not necessarily be limited to) projected winds, waves, current, spill size and frequency, cleanup capability, shoreline/estuarine/bay sensitivity; biological resources, damage potential and recovery rate; facility design; and project economics.

f. The deepwater port, pipeline, and attendant facilities should be located as far as practicable from the vicinity of critical habitats for biota, including but not limited to commercial and sports fisheries and threatened and endangered species.

g. Sites should reflect negligible displacement of existing or potentially important uses such as the following:

- i. fisheries,
- ii. recreation,
- iii. mining,
- iv. oil and gas production,
- v. transportation.

h. Siting should favor areas already allocated for similar use and the implications of density of such uses.

i. port facilities—existing tanker and barge traffic—existing ports which can be used for service vessels.

ii. pipelines—use of existing corridors.

iii. secondary facilities—use of (or expansion of) existing storage, refinery, and other support facilities.

iv. construction facilities—use of existing equipment and personnel staging yards.

i. The deepwater port, pipelines and other offshore facilities should be sited so as to not permanently interfere with the natural littoral process or to alter significantly any tidal pass or other part of the physical environment important to natural currents and wave patterns.

j. Pipelines, or other deepwater port components or facilities requiring dredging, should not be located where sediments with high levels of heavy metals, biocides, oil, or other pollutants or hazardous materials exist.

2. *Design, Construction and Operation*—Selection of design and procedures for construction and operation of a deepwater port must reflect use of best available technology. For example:

a. All oil transfer, transportation, and storage facilities, systems and equipment should include appropriate safeguards and backup systems and/or be operated under procedures to minimize both the possibility of pollution incidents resulting from personnel and equipment failures, natural calamities and casualties, such as tanker collisions or groundings, and the adverse effects of those pollution incidents which occur. These facilities, systems, and equipment, should be designed to permit safe operation, including appropriate safety margins, under maximum operating loads and the most adverse operating conditions to which each may be subjected.

b. All facilities should be provided with a safe, environmentally sound method for the collection, storage, and disposal of solid and liquid wastes generated by such facilities. When prescribed by law or regulation, the deepwater port may be required to be fitted with additional facilities for the collection and treatment of ship-generated liquid and solid wastes, such as oily bilge and oily ballast water, tank cleaning residues, sludge wastes, and sewage and garbage.

c. The proposed project should be designed, constructed and operated so as not to interfere permanently with natural littoral processes or other significant aspects of currents and wave patterns. Additionally, harmful erosion or accretion, both onshore and offshore, should be prevented. Groundwater drawdown or saltwater intrusion should not be permitted. Moreover, mixing of salt, brackish, and fresh waters should be mini-

mized. Designs should not include factors which will disrupt natural sheetflow, water flow, and drainage patterns or systems.

d. The proposed project should not interfere with biotic populations. Potential effects on breeding habitats or migration routes should receive particular attention.

e. The proposed project should be designed, constructed and operated so as to make maximum feasible use of already existing local facilities such as roads, pipelines, docking facilities and communications facilities.

f. Disposal of spoil and refuse material should be effected only at disposal sites specifically selected and approved by competent authorities. Whenever and wherever possible, the proposal should provide for resource recovery, reclamation of affected areas, or enhancing uses of spoil and waste.

g. Personnel trained in oil spill prevention should be present at critical points at the deepwater port (as identified in the accident analysis). Personnel should also be trained in oil spill control to mitigate the effects of any spill which may occur.

3. *Land Use and Coastal Zone Management*—A deepwater port should not conflict with existing or planned land use including management of the coastal region. A measure of whether or not conflict exists will be made by the following means:

a. The proposed project should adhere closely to approved master plans or other plans of competent local or State authorities in designated adjacent coastal States or in other States where significant effects are likely to occur. A minimum of special exceptions or zoning variances should be required. Non-conforming uses should not be prolonged where reasonable alternatives are available.

b. The proposed project should conform with approved or planned coastal zone management programs of the relevant adjacent coastal States.

c. The proposed use of floodplains should not entail loss of wetlands nor should such use pose an undue risk of exposure of that use to flood damage, increase the potential need for Federal expenditures for flood protection or flood disaster relief, decrease the unique public value of the floodplain as an environmental resource, or provide an incentive for other uses of the floodplains having similar ultimate results.

(d) The use of or effect on wetlands should be considered in the following manner,

i. uses permanently altering or adversely affecting wetlands are to be avoided, or

ii. positive action must be taken to minimize adverse effects on wetlands.

#### ANNEX A

1. The following environmental criteria are expressly referred to in the Deepwater Port Act of 1974:

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- a. Compliance with the Clean Air Act (4(c)(6)).
- b. Compliance with the Federal Water Pollution Control Act (4(c)(6)).
- c. Compliance with the Marine Protection, Research and Sanctuaries Act (4(c)(6)).
- d. Effect on the marine environment (6(a)(1)).
- e. Effect on oceanographic currents and wave patterns (6(a)(2)).
- f. Effect on alternate uses of the oceans and navigable water, such as scientific study, fishing, and exploitation of other living and nonliving resources (6(a)(3)).
- g. The potential dangers to a deepwater port from waves, wind, weather and geological conditions, and the steps which can be taken to protect against or minimize such dangers (6(a)(4)).
- h. Effects of land-based developments related to deepwater port development (6(a)(5)).
- i. Effect on human health and welfare (6(a)(6)).
- j. Consistency with adjacent coastal States' programs relating to environmental protection, land and water use, and coastal zone management (9(b)).
- k. Development of an approved coastal zone management program pursuant to the Coastal Zone Management Act of 1972 in the area to be directly and primarily impacted by deepwater port land and water development in the coastal zone of that State directly connected by pipeline to the proposed deepwater port (9(c)).
- l. Pursuant to section 102(c)(2) of the National Environmental Policy Act, prepare a single, detailed environmental impact statement for each application area (5(f)).

[CGD 75–002, 40 FR 52553, Nov. 10, 1975; 40 FR 58143, Dec. 15, 1975]

**PART 149—DESIGN,  
CONSTRUCTION, AND EQUIPMENT**

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